



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: _____ Complete: XXX Exploration: _____

Inspection Date & Time: 12/29/00 / 8 AM-12 Noon

Date of Last Inspection: 11/29/2000

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by [signature]

Mine Name: Centennial Project County: Carbon Permit Number: C [redacted]
 Permittee and/or Operator's Name: Andalex Resources, Inc.
 Business Address: P.O. Box 902, Price, Utah 84501
 Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
 Company Official(s): Mike Glasson, Senior Geologist
 State Official(s): Peter Hess, Gregg Galecki Federal Official(s): None
 Weather Conditions: Clear, cold/teens Fahrenheit
 Existing Acreage: Permitted 5179.49 Disturbed 35.27 Regraded _____ Seeded _____
 Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 12/22/2000

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: Mr. Gregg Galecki, Reclamation Hydrologist with the UDNR/OGM/SLO accompanied this individual during today's inspection to assist in a review of the available water monitoring information.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The only change currently under review relative to the Centennial site is the negotiation of the amount of reclamation bond necessary to reclaim the site; the bond review is part of the midterm. The permittee is utilizing Black Hawk Engineering (Mr. Dan Guy, P.E.) to negotiate this amount with the UDNR/OGM via Mr. Wayne Western, Reclamation bond Specialist.

3. TOPSOIL

All topsoil storage areas observed this day were snow covered.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee has completed the cleaning of sediment pond "E". Photos of the completed cleaning project have been taken. During the course of the project, Neilson Construction inadvertently destroyed the concrete inlet apron on the NE side of the pond. Mr. Glasson intends to have Neilson Construction replace this apron in the Spring of 2001.

The third quarter 2000 impoundment inspections for the site were conducted by Mr. Glasson on September 29, 2000. There were no hazardous conditions or signs of instability noted for any of the three ponds.

Mr. Dan Guy, P.E., performed the annual impoundment inspection/certification for the site's three impoundments on November 30, 2000. Pond "E" was noted as having one-third of the contained sediment removed. Pond "B" was noted to have 0.594 acre feet of sediment storage capacity remaining. The report forms were reviewed and P.E. certified by Mr. Guy.

Ponds "B" and "C" both contained frozen inflow this day.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Prior to today's inspection, Mr. Gregg Galecki performed an investigation of the water monitoring information which had been received during the four quarters of 1999, as well as those quarters reporting information for this year. The following was determined:

- 1) There is not any information on file at the UDNR/OGM/SLO relative to water analysis for site Well #1 for the second and fourth quarters of 1999. Mr. Glasson agreed to search for the missing information and submit it, if and when found.
- 2) Discrepancies exist in field parameters for pH and specific conductivity.
- 3) Well water depths have, in the past, been measured/reported to the nearest foot. Mr. Galecki requested that future monitoring be conducted to at least the closest one-tenth of a foot, and more preferably, to the nearest hundredth of a foot. Mr. Glasson tentatively agreed to this request pending a determination of the accuracy of his depth measurement device.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 12/22/2000

- 4) The mining and reclamation plan for the Centennial site requires that water monitoring information must be submitted within 45 days of the end of the quarter. The Division follows the general rule that same must be submitted within 90 days of the end of the monitoring quarter. Although this is not considered to be a compliance situation, the permittee may want to consider changing to the 45 day submittal period in the MRP.

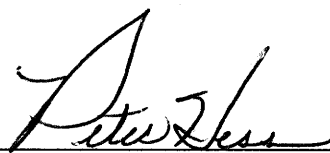
The permittee submitted the third quarter 2000 water monitoring information to the UDNR/OGM on December 22, 2000. A review of the submitted data revealed that the analysis failed to complete the Manganese requirement for samples S18-1 and Well #1. Mr. Glasson was notified of the analysis error.

Discharge monitoring reports for the site's four UPDES discharge points were reviewed for the month of November. There has been no discharge from these outfalls during that month. The reports needed signature from the authorized representative prior to submittal.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The spill prevention control and countermeasure plan was last certified by Mr. Dan Guy, P.E., on December 15, 1999.

Inspector's Signature: _____


Peter Hess #46

Date: December 26, 2000

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

sd

cc: James Fulton, OSM
Mike Glasson, Andalex
Price Field office

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